

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IRVING H. PICARD, :

Plaintiff, :

-v- :

GERALD BLUMENTHAL, :

Defendant. :

11 Civ. 4293 (JSR)

----- x
ORDER

JED S. RAKOFF, U.S.D.J.

On June 24, 2011, defendant Gerald Blumenthal moved to withdraw the bankruptcy reference of adversary proceeding No. 10-04582 (BRL). The parties submitted extensive written briefs, and the Court heard oral argument on September 9, 2011. Having now fully considered the matter, the Court hereby withdraws the reference to address (1) whether the Trustee may, consistent with non-bankruptcy law, avoid transfers that BLMIS made in order to satisfy antecedent debts; (2) whether, in light of this Court's decision in Picard v. Katz, 11 Civ. 3605 (JSR), 11 U.S.C. § 546(e) applies to this case, limiting the Trustee's ability to avoid transfers; and (3) whether provisions of the Internal Revenue Code that heavily tax undistributed portions of IRAs prevent the Trustee from avoiding IRA distributions that would otherwise be taxed. In all other respects, including the "constant dollar" issue, withdrawal is not warranted and the motion is denied. However, to the extent that the thirty-one cases that joined Blumenthal's motion to withdraw pose the same issues as the withdrawn

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issues referenced above, the Court withdraws the references of those cases as well. A written opinion stating the reasons for this ruling will issue in due course. Meanwhile, counsel for the parties should jointly call Chambers no later than October 21, 2011 to set a schedule for briefing of the three questions that warrant withdrawal.

SO ORDERED.



JED S. RAKOFF, U.S.D.J.

Dated: New York, New York
October 13, 2011